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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/919,074	07/30/2001	Bruce Hoadley	ISAA0007	2660
22862	7590	12/14/2006	EXAMINER	
GLENN PATENT GROUP 3475 EDISON WAY, SUITE L MENLO PARK, CA 94025			MILEF, ELDA G	
			ART UNIT	PAPER NUMBER
			3692	

DATE MAILED: 12/14/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/919,074	<b>Applicant(s)</b> HOADLEY ET AL.	
	<b>Examiner</b> Elda Milef	<b>Art Unit</b> 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☒ Responsive to communication(s) filed on 26 October 2006.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) 4-7 and 16-19 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-3, 8, 9, 11-15, 20, 21 and 23-26 is/are rejected.
- 7) ☒ Claim(s) 10 and 22 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 30 July 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>2/20/2003</u> .   | 6) <input type="checkbox"/> Other: _____                          |

**DETAILED ACTION**

***Election/Restrictions***

Applicant's election without traverse of claims 1-3, 8-15, and 20-26 in the reply filed on 10/26/2006 is acknowledged.

***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 13-24 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 13 recites "In a credit score explanation service" (p.4 line 16). It is unclear to the Examiner if these are method or apparatus claims.

Claims 14-24 are rejected because of their dependency to the rejected claims.

***Allowable Subject Matter***

Claims 10 and 22 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-3, 8,9, 11-15, 20, 21, 23-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Brody et al. (hereinafter Brody, PG Pub. No. 2002/0077964) in view of Lent et al. (hereinafter Lent, U.S. Patent No. 6,324,524).

**Re claims 1, 13, and 25:** For purposes of examination, the Examiner is interpreting "credit score explanation service" to mean --system-- with regard to claim 13.

Brody disclose a system, method, and apparatus for delivering and explaining credit scores to a consumer, comprising providing a Web site that contains informative resources, said Web site comprising any of for-pay services and extranet/Internet functions; offering consumers access to information contained in said informative resources, both

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general and personal, about practices of collection, storing, reporting, and evaluating consumer credit data; accepting consumer credit scores from individual consumers or third parties, in interactive or batch modes, and providing an explanation report to said individual consumers based upon the individual consumers' credit scores -(see Abstract, pars. 7-10, 15-16, 34, 38-39, 48, 63-64);

defining a credit score as a function of prediction characteristics-see pars. 3-5, 65;

defining a surrogate set of characteristics as representing areas for improvement-see "explanatory statements suggesting steps to improve the credit score"-para. 63;

developing a surrogate score to approximate a real credit score, using said real credit score as a performance (dependent) variable and using said surrogate characteristics as predictors-see pars. 10, 38, 48, 64; and

defining a potential improvement metric for each area for improvement-see pars.7-8, 21,34 and Fig.1 (16 Credit scoring and credit improvement module).

Brody do not specifically disclose accepting reason codes from individual consumers or third parties. Lent however, teaches ("FIG. 8A is a flow chart illustrating a process for determining an appropriate reason to display for rejecting an

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applicant and displaying that reason... In a step 802, the main factors given by the credit bureau that affect the FICO score are obtained. Generally, the main factors identified by the credit bureau for the FICO score are provided in the form of a numerical code that corresponds to a predetermined factor.")-see col. 12 lines 5-12. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Brody to include accepting a reason code from a credit bureau as taught by Lent in order to understand which factors affected the credit score.

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**Re claims 2 and 14:** Although Brody disclose ("the summary report including a credit score of the consumer and an explanatory statement suggesting steps to improve the credit score")-see para.21, Brody do not specifically disclose creating an ordered areas for improvement table. Lent however, teaches a table showing reason codes and further explains the reasons for decline of credit-see Fig. 8B and col. 12 lines 5-16. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Brody to include a table showing the internal decline reason in a specific or general format in order to provide a summary of reasons credit was declined.

**Re claim 3:** Brody disclose using said surrogate characteristics as said area for improvement.-see pars. 10, 38, 48, 63 and 64.

**Re claims 8 and 20:** Brody disclose wherein said defining a credit score step is defined as:  $\text{Score} = s(x_1, x_2, \dots, x_c)$ .- pars. 3-5, 65.

**Re claim 9 and 21:** Brody disclose wherein using said areas for improvement prediction variables to develop a surrogate score of the form  $\psi(Z_1, Z_2; \dots, Z_p)$ , which is developed using  $z_1, z_a \dots z_p$  as said prediction characteristics and  $y = s(x_1, x_2, \dots, x_c)$  as said performance variable. -see para. 64. Brody

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teaches determining the consumer's personalized credit score using a method of weighing factors that contribute to the score. Brody teaches a system using information from various data sources including factors such as average price of the consumer's home, magazine subscriptions, credit history, marital status, and income.

**Re claims 11,23,26:** Brody do not specifically disclose associating a set of reason codes with a score returned from a credit bureau;

associating a score difference with each reason code;

providing a data feed which includes score differences associated with said reason codes; and

converting score differences to percentages.

Lent however, teaches comparing a FICO score to threshold values, reason codes associated with the credit score from a credit bureau-see cols. 10-13. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Brody to include a process for obtaining the main factors given by a credit bureau for FICO scores and the numerical code corresponding to the factors, performing an attribute test by comparing FICO scores to a predetermined threshold, and providing data regarding credit rejection reasons



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as taught by Lent in order to provide an explanation of the reason codes regarding credit ratings to the consumer.

**Re claim 12 and 24:** Brody disclose comparing a current score to a maximum score that can be obtained by varying said prediction characteristic.-see pars. 20, 32, 63-64.

**Re claim 15:** Brody disclose means for using said surrogate characteristics as said areas for improvement- see "explanatory statements suggesting steps to improve the credit score"-para. 63.

### **Conclusion**

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

U.S. Patent No. 5,262,941 (Saladin et al.)-cited for its expert credit recommendation method and system using decision matrices rating consumers on criteria related to credit analysis.

Singletary, Michelle. *Score One for Open Credit Ratings*. The Washington Post. Washington, D.C.: Jun 18, 2000. pg. H 01. Cited for its reference to the disclosure of a consumer's credit score and the highest credit score possible, as well as details of the factors used in the FICO credit-scoring model.

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Stanton, Thomas H. *Credit Scoring and Loan Scoring as Tools for Improved Management of Federal Credit Programs*. Financier. Philadelphia: Summer 1999. Vol. 6, Iss. 2/3; pg. 24, 18 pgs. Cited for its reference to credit score as a way to apply statistical modeling to a representative database and generate a numerical score for each borrower or loan, and within the range of cores, lenders establish a cut-off according to the amount of risk that they are willing to take with respect to borrowers.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Elda Milef whose telephone number is (571)272-8124. The examiner can normally be reached on Monday -Thursday 8:30 am to 4:30pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached on (571)272-6777. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Elda Milef  
Examiner  
Art Unit 3692

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RICHARD E. CHILCOT, JR.  
SUPERVISORY PATENT EXAMINER